ITEM 1008-D
X96-2: H.RP. 1195/pt. 2

96TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPT. 96-1195 PART 2

AN ACT TO CORRECT TECHNICAL ERRORS, CLARIFY AND MAKE MINOR SUBSTANTIVE CHANGES TO PUBLIC LAW 95-598

SEPTEMBER 3, 1980.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. RODINO, from the Committee on the Judiciary, submitted the following

COMPLETED ORIGINAL

SUPPLEMENTAL REPORT

[To accompany S. 658]

The report, to accompany the bill (S. 658), submitted on July 25, 1980, did not contain, in compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the cost estimate of the Congressional Budget Office.

The cost estimate is as follows:

The heading for the report, to reflect the inclusion of the cost estimate, is amended to read as follows:

REPORT

together with

DISSENTING VIEWS

[To accompany S. 658]

[Including cost estimate of the Congressional Budget Office]

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., August 27, 1980.

Hon. PETER W. RODINO, JR.,
Chairman, Committee on the Judiciary,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 658, the Bankruptcy Technical Amendments Act of 1980.

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(5)

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: S. 658.

2. Bill title: Bankruptcy Technical Amendments Act of 1980.

3. Bill status: As reported by the House Committee on the Judiciary, July 25, 1980.

4. Bill purpose: The bill makes a variety of technical and other amendments to Public Law 95–598, the Bankruptcy Reform Act of 1978. Among these amendments are a provision altering current laws regarding the retirement systems for bankruptcy judges and the filing and other fees charged by U.S. district courts. Unlike other U.S. judges, bankruptcy judges currently participate in the civil service retirement system. This bill would permit bankruptcy judges to withdraw their contributions to the civil service retirement system and become eligible for more liberal judicial retirement benefits. The bill would also lower the filing fees currently charged by U.S. district courts and would conform the fee structure of the U.S. District Court for the District of Columbia to that used by the other U.S. district courts.

5. Cost estimate:

[By fiscal years; in millions of dollars]

	1981	1982	1983	1984	1985
Revenues	−4.5	−4.5	−4.5	−4.5	−4.5
Spending effects:					
Estimated budget authority	−1.2	−.8	−.4	1.4	3.0
Estimated outlays	9.2	.3	.6	2.2	3.7
Net budget impact [1]	13.7	4.8	5.1	6.7	8.2

[1] Increase in deficit or decrease in surplus (i.e., outlay increase plus revenue loss).

The costs of this bill fall within budget functions 600 and 750.

6. Basis of estimate: The only provisions of the bill having a significant cost impact are those involving the retirement system for bankruptcy judges and the filing fees for U.S. district courts. For the purpose of estimating these costs, it is assumed that this bill will be enacted and implemented by October 1, 1980.

Sections 208 and 309: Retirement. The exclusion of bankruptcy judges from the Civil Service Retirement (CSR) system would reduce annual fund income, or budget authority, by an estimated $1.4 million in each of the next five years. Annual CSR outlays would also be lower in each year, except for fiscal year 1981 when the reduction would be more than offset by an estimated $9.1 million increase for lump-sum payments of funds contributed by existing bankruptcy judges during their careers.

The outlays for judicial retirement (function 750) would increase because of more liberal benefits and eligibility provisions. Because of uncertainty about the number of existing judges that will be reappointed or seek reappointment in 1984, it is difficult to predict the level of annual payments that would occur. Based on age and service characteristics of existing bankruptcy judges, three groups are specified for estimating purposes:

(1) The first, representing about 15 percent of the total, is assumed to retire at the same time as they would under current law, but would receive the more liberal benefits provided by the bill. This group averages 70 years of age and 21 years of service.

(2) The second group, representing about 25 percent of the total, is assumed to be influenced by the bill's retirement provisions to retire in 1984, earlier than they would otherwise have retired. This group currently averages 59 years of age and 15 years of service.

(3) The third group, representing about 60 percent of the total, is assumed to not collect benefits within the time frame of this estimate. They are under age 55 or have less than 10 years of service.

[By fiscal years; in millions of dollars]

	1981	1982	1983	1984	1985
Budget function 600:					
Estimated budget authority	−1.4	−1.4	−1.4	−1.4	−1.4
Estimated outlays	9.0	−.3	−.4	−.6	−.7
Budget function 750:					
Required budget authority	.2	.6	1.0	2.8	4.4
Estimated outlays	.2	.6	1.0	2.8	4.4

Sections 229, 231 and 237: Court Fees. Sections 229 and 231 would lower from $60 to $30 the fees charged by U.S. district courts for civil and bankruptcy filings. (Public Law 95–598 raised the filing fee from $15 to $60, effective October 1, 1979.) Based on an estimated 150,000 civil filings per year, the $30 fee reduction would lower annual fee income from roughly $9.0 million to $4.5 million. Section 237 would conform the fee structure of the U.S. District Court for the District of Columbia to that used by the other U.S. district courts. Although the total revenue effects of this action are inestimable, the new fees would be much higher than those currently charged by the D.C. District Court.

Section 314: Salary Adjustments. Section 314 of the bill would change the effective date of the last salary increase for bankruptcy judges from November 6, 1978, to September 30 of the same year, for the sole purpose of computing salary adjustments. This provision could result in additional costs of approximately $20,000 per year, if certain court cases seeking to exempt judges' compensation from federal pay ceilings are resolved in the judges' favor.

7. Estimate comparison: None.
8. Previous CBO estimate: None
9. Estimate prepared by: Carol Kaplan, Allen Kraus.

10. Estimate approved by:

C. G. NUCKOLS

(For James L. Blum, Assistant Director for Budget Analysis).

The report, to accompany the bill (S. 658), submitted on July 25, 1980, did not contain, in compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, oversight findings. The oversight findings are as follows:

OVERSIGHT FINDINGS

The Committee has made no oversight findings concerning Public Law 95–598, the Bankruptcy Reform Act of 1978.

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

The report, to accompany the bill (S. 658), submitted on July 25, 1980, did not contain, in compliance with clause 2(l)(4) of rule XI of the Rules of the House of Representatives, an inflationary impact statement. The inflationary impact statement is as follows:

INFLATIONARY IMPACT STATEMENT

The Committee believes that the enactment of this legislation will have no inflationary impact upon the national economy.

The report, to accompany the bill (S. 658), submitted on July 25, 1980, did not contain, in compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, a cost estimate by the Committee. The cost estimate is as follows:

COST ESTIMATE

The Committee has not made an independent estimate of the costs which might be incurred as a result of the enactment of his legislation. This for the reason that the major cost item, retirement for bankruptcy judges, is based upon factors which cannot be known at this time, i.e., how many and which judges will choose to retire and at which time such retirements will occur. Therefore, since the Congressional Budget Office also faced these conjectures in the construction of its budget estimate, the Committee adopts that cost estimate as its own.

TECHNICAL CORRECTIONS

The following are corrections to be made in Report 96–1195, deleted matter appears in black brackets and added material in italic:

1. At page 5, in the 4th paragraph, "* * * interest. *In* arriving * * *".

2. At page 7, in the 3rd paragraph, "* * * approved specified transfers *of securities contracts. Transfers* so approved * * *".

3. At page 9, in Section 10(b), "* * * such a denial **[**with**]** *while* providing * * *".

4. At page 12, in Section 27(a), "* * * into by an **[**under**]** *insider* of the debtor * * *".

5. At page 13, in Section 30(f), "* * * more than one subsection of **[**sub**]**section 522".

6. At page 15, in Section 39(a), "* * * even though assigned *but* will be * * *".

7. At page 19, in Section 55(c), "* * * subsections (a) *and* (b) and the * * *".

8. At page 21, insert after the text accompanying Section 94:

"Section 95. This amendment makes a stylistic change.

"Section 96, This amendment makes it clear that an examiner shall perform duties pursuant to the court's orders, in addition to those required directly or indirectly by this section."

9. At page 31, in Section 601(b), "* * * as provided in Section **[**504**]** *503*, above.".

10. At page 66, in section 505(a)(1), "* * * any addition to **[**tary**]** *tax*, whether * * *".

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